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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/828,446	04/05/2001	Von E. Fagan	108298612US	6899
25096	7590	06/19/2006	EXAMINER	
PERKINS COIE LLP PATENT-SEA P.O. BOX 1247 SEATTLE, WA 98111-1247			RUHL, DENNIS WILLIAM	
			ART UNIT	PAPER NUMBER
			3629	

DATE MAILED: 06/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/828,446

Applicant(s)

FAGAN, VON E.

Examiner

Dennis Ruhl

Art Unit

3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 13 March 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 and 34-37 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-21, 34-37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: _____

1. A request for continued examination under 37 CFR 1.114 was filed in this application after appeal to the Board of Patent Appeals and Interferences, but prior to a decision on the appeal. Since this application is eligible for continued examination under 37 CFR 1.114 and the fee set forth in 37 CFR 1.17(e) has been timely paid, the appeal has been withdrawn pursuant to 37 CFR 1.114 and prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 3/13/06 has been entered.

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-21,34-37, are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

For claims 1,34, it is not clear as to how many computer components are included in the scope of this claim. Are there "at least one computer component" (which includes a plurality) or just one as the language "the leased computer component" found at line 5 requires? This renders the claim as indefinite.

For claims 11,16,19, the same issue is present that was in claim 1. How many components are in the scope of the claim? Does the language "leasing at least one computer component of the computer equipment" allow for 100% of the computer to be leased? Later in the claim there is a reference to "the leased component", which would

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imply that only one component is being leased. What is the scope of this claim with respect to the computer components (i.e. how many are in the scope of the claim)?

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-21,34-37, are rejected under 35 U.S.C. 103(a) as being unpatentable over "Polytechnic University, Notebook Computer Lease Agreement, Fall 2000 " in view of . *"Leasing software: A familiar tool gains new life"* (Jan/Feb 2000).

For claims 1,11,16,19,20,34,35,37, Polytechnic discloses a method of providing computer equipment to a customer. The customer is the student that the notebook computer is being leased to. The Polytechnic University obtains notebook computers and installs certain computer programs on the computer prior to delivery to the student (the "Included Programs" and proprietary programs). The installed software is interpreted by the examiner to be the "at least one computer component" that is installed into the computer. Computer software is one component that makes up a computer. The step of receiving an indication of an available piece of computer equipment is considered to be the receipt of the lease agreement by the student and admission to the school. This is an indication that a computer is available to the student. Applicant is referred to the "Refund Upon Premature Departure" portion of the

lease. This portion discloses that the student may terminate the lease if they must leave school for some reason. The document discloses that the computer is owned by the school until such a point in time that the student graduates, so if a student pays the \$4000 in payment option C, and leaves school early, this is considered to be termination of the lease. The lease continues until the student graduates, then the student may purchase the computer for \$1.

Not disclosed is that a database is updated to reflect the lease of the computer component (the installed software) from a computer vendor. Also not disclosed is that a database is updated to reflect the lease of the assembled computer to the student and that the database is updated to reflect return of the computer (in the case where the student terminates the lease early).

With respect to the leasing of the computer component (the software), the article "*Leasing software: A familiar tool gains new life*" discloses that in the year 2000, the idea of leasing software was becoming more common. The leasing of computer software allows the customers to hold onto their working capital as opposed to having to purchase the software outright, which can be expensive. This also allows the customer to be able to afford software that they would not otherwise be able to afford due to the high costs involved. The article discloses that the leasing of software has increased over 40% since 1997. The high costs associated with software is disclosed as a driving force behind the increase in the leasing of software. The leasing of computer software is old and well known in the art and is considered obvious. Because the University has to somehow obtain the software that they are going to install into the notebook

computer (i.e. Microsoft Office or Excel Spreadsheet TM), it would have been obvious to one of ordinary skill in the art at the time the invention was made to have Polytechnic University lease some of the various software programs that they are going to install onto the notebook computers from a computer vendor so that they would not have to purchase the software themselves. This would allow the University to hold onto more of their working capital instead of having to spend it on the software. Having to purchase 300 copies (for 300 students) of software that costs \$200 each would cost the University up to \$60,000 (at the very least tens of thousands of dollars with some kind of volume discount). By leasing the software, the University would not need to spend all that money on the software purchase, but could retain some of the money for other activities.

With respect to the updating of a database for both the lease of the computer component and the leasing and return of the equipment from a customer, it would have been obvious to one of ordinary skill in the art at the time the invention was made to create a database of some kind to keep track of the computer components leased, as well as to keep track of all the students and the computers that have been leased to the students and to keep track of any returned computers. This is simply the act of record keeping, which is very obvious to one of ordinary skill in the art.

For claims 2,4,18, in the event a student (first student) was to leave school early and returned the computer prior to departure, it would have been obvious to one of ordinary skill in the art at the time the invention was made to lease the computer to another student that would take the open spot just vacated by the first student.

Students leave school all the time and are replaced by new students all the time so releasing the computer to a 2nd student is considered obvious.

For claims 3,5,6,11,15,19, having multiple payments over a period of time, with each payment being the total cost divided by the number of payments, and an interest rate (which could be zero) is considered obvious and is how leases are structured. A lessee makes periodic payments over the period of time the item is leased. When the last payment is made, this is a step of indicating the purchase of the equipment. The last payment is the amount needed to pay off the lease and take ownership of the equipment.

Additionally for claims 3,4, following the obviousness rationale set forth for claim 1 (the use of a database for leasing information), it follows that the database would also be used to track lease payments to the vendor as claimed and would be updated to indicate purchase of the software (paid in full) when the lease period ends.

For claims 7,8, not disclosed is that the database is updated to reflect payments as recited in claim 7. It would have been obvious to one of ordinary skill in the art at the time the invention was made to record in the database the payments received. This is what is called "Accounts receivable" in accounting and is very well known and obvious.

For claim 8, not disclosed is that each payment is less than the previous payment. It would have been obvious to one of ordinary skill in the art at the time the invention was made to structure the payments so that each payment was smaller than the previous payment so that the school could get more money earlier in the term of the lease, rather than getting it at even increments. The examiner takes notice that the final

result will be the same no matter how the payments are structured, namely that the balance will be paid off.

For claim 9, not disclosed is that the computers are refurbished after being returned and that one is transmitted to another customer. The claimed "refurbishing" is broad claim language and can be interpreted to mean any kind of upgrading of software or even physical cleaning of the computer itself. It would have been obvious to one of ordinary skill in the art at the time the invention was made to refurbish the computers that are returned so that when one is leased to a new student it will be in good working order and is a clean condition. Transmission of the computer is considered obvious as has already been addressed by the examiner in the case where a 1st student leaves school early and the computer is leased to a 2nd student.

For claim 10, the examiner considers the indicating of a payment of an interest fee to be the payment of the \$1 at the end of the lease and after student graduation. The \$1 is a fee and can be considered an interest fee as claimed. Alternatively, it would have been obvious to one of ordinary skill in the art to charge the school an interest fee when the school leases the computers, as is well known in the art. Leases commonly have interest fees built into the lease.

For claims 12,13,19, in the event a student (first student) was to leave school early and returned the computer prior to departure, it would have been obvious to one of ordinary skill in the art at the time the invention was made to lease the computer to another student that would take the open spot just vacated by the first student. Students leave school all the time and are replaced by new students all the time so

releasing the computer is obvious.

For claims 14,19,36, when a student leaves school early and terminates the lease early, when the student is using payments options A or B, the student will cease making payments as claimed. With respect to the limitation of "ceasing to pay the vendor for the computer component", at some point the school will cease payments as claimed.

For claim 17, the examiner considers claimed "total amount" to a first lease payment. The 103 rejection set forth by the examiner results in a database being updated to reflect lease payments and after an initial payment is made (the total amount of the first payment) continued payments will be made as claimed.

For claim 21, the time period when a first student (customer) is leasing the computer is a time period when the computer is not sold to the second customer. During this time period, the time between the payments made by the school to the vendor is considered to be "ceasing to pay the vendor". The payments are not something that is happening all the time at every second of the day. The payments are a periodic thing (usually monthly). The act of not sending a payment on a given day satisfies the claim language.

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Leasing Software: A familiar Tool Gains.....payment plans" and "Bill Gates Has Plans for Microsoft's Future and Yours" disclose the idea of the leasing of computer software.

7. Applicant's arguments with respect to claims 1-21,34-37, have been considered but are moot in view of the new ground(s) of rejection.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 571-272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



DENNIS RUHL
PRIMARY EXAMINER